

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF WEST COLLEGE CORNER

UNION COUNTY, INDIANA

January 1, 2011 to December 31, 2012



**FILED**  
10/21/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith Burke Starr	01-01-08 to 12-31-15
President of the Town Council	Carolyn Portwood Juanita Fenwick	01-01-11 to 12-31-11 01-01-12 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WEST COLLEGE CORNER, UNION COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of West College Corner (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman  
State Examiner

September 25, 2013

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

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TOWN OF WEST COLLEGE CORNER  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 76,229	\$ 46,510	\$ 64,875	\$ 57,864	\$ 86,698	\$ 74,327	\$ 70,235
Motor Vehicle Highway	79,456	77,247	60,686	96,017	57,911	104,147	49,781
Fire Department Grant	-	46,460	46,460	-	4,040	4,040	-
Riverboat	20,328	3,968	6,020	18,276	9,142	15,899	11,519
Rainy Day	19,672	-	-	19,672	-	-	19,672
CCD	47,919	2,588	-	50,507	2,726	-	53,233
EDIT	79,081	7,584	35,617	51,048	8,524	8,987	50,585
CCI	8,969	1,821	3,605	7,185	1,793	-	8,978
Local Road and Street	11,410	2,568	-	13,978	2,627	-	16,605
Payroll	-	53,497	53,497	-	55,306	55,306	-
Wastewater Utility- Operating	50,412	235,077	262,128	23,361	234,876	242,843	15,394
Wastewater Bond & Interest	119,622	110,544	100,233	129,933	109,860	103,695	136,098
Wastewater Depreciation	20,776	8,904	-	29,680	8,904	7,532	31,052
State Revolving Bond Interest	3,083	9,864	9,967	2,980	9,864	9,967	2,877
State Revolving Debt Reserve	9,995	-	-	9,995	-	-	9,995
Wasterwater Debt Reserve	37,142	11,822	-	48,964	8,322	-	57,286
<b>Totals</b>	<b>\$ 584,094</b>	<b>\$ 618,454</b>	<b>\$ 643,088</b>	<b>\$ 559,460</b>	<b>\$ 600,593</b>	<b>\$ 626,743</b>	<b>\$ 533,310</b>

The notes to the financial statement are an integral part of this statement.

TOWN OF WEST COLLEGE CORNER  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, storm water, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

TOWN OF WEST COLLEGE CORNER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

TOWN OF WEST COLLEGE CORNER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF WEST COLLEGE CORNER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Fire Department Grant	Riverboat	Rainy Day	CCD	EDIT	CCI	Local Road and Street
Cash and investments - beginning	\$ 76,229	\$ 79,456	\$ -	\$ 20,328	\$ 19,672	\$ 47,919	\$ 79,081	\$ 8,969	\$ 11,410
Receipts:									
Taxes	21,129	45,554	-	-	-	-	-	-	-
Intergovernmental	19,291	31,693	44,900	3,968	-	2,588	7,584	1,821	2,568
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	6,090	-	1,560	-	-	-	-	-	-
Total receipts	<u>46,510</u>	<u>77,247</u>	<u>46,460</u>	<u>3,968</u>	<u>-</u>	<u>2,588</u>	<u>7,584</u>	<u>1,821</u>	<u>2,568</u>
Disbursements:									
Personal services	21,532	22,291	-	-	-	-	-	-	-
Supplies	4,290	7,461	-	-	-	-	-	-	-
Other services and charges	39,053	4,569	-	-	-	-	-	-	-
Capital outlay	-	25,506	46,460	4,980	-	-	35,617	3,605	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	859	-	1,040	-	-	-	-	-
Total disbursements	<u>64,875</u>	<u>60,686</u>	<u>46,460</u>	<u>6,020</u>	<u>-</u>	<u>-</u>	<u>35,617</u>	<u>3,605</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(18,365)</u>	<u>16,561</u>	<u>-</u>	<u>(2,052)</u>	<u>-</u>	<u>2,588</u>	<u>(28,033)</u>	<u>(1,784)</u>	<u>2,568</u>
Cash and investments - ending	<u>\$ 57,864</u>	<u>\$ 96,017</u>	<u>\$ -</u>	<u>\$ 18,276</u>	<u>\$ 19,672</u>	<u>\$ 50,507</u>	<u>\$ 51,048</u>	<u>\$ 7,185</u>	<u>\$ 13,978</u>

TOWN OF WEST COLLEGE CORNER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Payroll	Wastewater Utility- Operating	Wastewater Bond & Interest	Wastewater Depreciation	State Revolving Bond Interest	State Revolving Debt Reserve	Wastewater Debt Reserve	Totals
Cash and investments - beginning	\$ -	\$ 50,412	\$ 119,622	\$ 20,776	\$ 3,083	\$ 9,995	\$ 37,142	\$ 584,094
Receipts:								
Taxes	-	-	-	-	-	-	-	66,683
Intergovernmental	-	-	-	-	-	-	-	114,413
Utility fees	-	233,239	-	-	-	-	-	233,239
Other receipts	53,497	1,838	110,544	8,904	9,864	-	11,822	204,119
Total receipts	53,497	235,077	110,544	8,904	9,864	-	11,822	618,454
Disbursements:								
Personal services	53,497	-	-	-	-	-	-	97,320
Supplies	-	-	-	-	-	-	-	11,751
Other services and charges	-	-	-	-	-	-	-	43,622
Capital outlay	-	-	-	-	-	-	-	116,168
Utility operating expenses	-	124,494	-	-	-	-	-	124,494
Other disbursements	-	137,634	100,233	-	9,967	-	-	249,733
Total disbursements	53,497	262,128	100,233	-	9,967	-	-	643,088
Excess (deficiency) of receipts over disbursements	-	(27,051)	10,311	8,904	(103)	-	11,822	(24,634)
Cash and investments - ending	\$ -	\$ 23,361	\$ 129,933	\$ 29,680	\$ 2,980	\$ 9,995	\$ 48,964	\$ 559,460

TOWN OF WEST COLLEGE CORNER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Fire Department Grant	Riverboat	Rainy Day	CCD	EDIT	CCI	Local Road and Street
Cash and investments - beginning	\$ 57,864	\$ 96,017	\$ -	\$ 18,276	\$ 19,672	\$ 50,507	\$ 51,048	\$ 7,185	\$ 13,978
Receipts:									
Taxes	54,671	20,440	-	-	-	2,726	-	-	-
Intergovernmental	27,792	31,813	-	4,005	-	-	8,524	1,793	2,627
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	4,235	5,658	4,040	5,137	-	-	-	-	-
Total receipts	<u>86,698</u>	<u>57,911</u>	<u>4,040</u>	<u>9,142</u>	<u>-</u>	<u>2,726</u>	<u>8,524</u>	<u>1,793</u>	<u>2,627</u>
Disbursements:									
Personal services	21,235	23,976	-	-	-	-	-	-	-
Supplies	5,241	8,971	-	-	-	-	-	-	-
Other services and charges	42,194	4,070	3,000	6,899	-	-	-	-	-
Capital outlay	-	67,130	-	9,000	-	-	8,987	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	5,657	-	1,040	-	-	-	-	-	-
Total disbursements	<u>74,327</u>	<u>104,147</u>	<u>4,040</u>	<u>15,899</u>	<u>-</u>	<u>-</u>	<u>8,987</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,371</u>	<u>(46,236)</u>	<u>-</u>	<u>(6,757)</u>	<u>-</u>	<u>2,726</u>	<u>(463)</u>	<u>1,793</u>	<u>2,627</u>
Cash and investments - ending	<u>\$ 70,235</u>	<u>\$ 49,781</u>	<u>\$ -</u>	<u>\$ 11,519</u>	<u>\$ 19,672</u>	<u>\$ 53,233</u>	<u>\$ 50,585</u>	<u>\$ 8,978</u>	<u>\$ 16,605</u>

TOWN OF WEST COLLEGE CORNER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Payroll	Wastewater Utility- Operating	Wastewater Bond & Interest	Wastewater Depreciation	State Revolving Bond Interest	State Revolving Debt Reserve	Wastewater Debt Reserve	Totals
Cash and investments - beginning	\$ -	\$ 23,361	\$ 129,933	\$ 29,680	\$ 2,980	\$ 9,995	\$ 48,964	\$ 559,460
Receipts:								
Taxes	-	-	-	-	-	-	-	77,837
Intergovernmental	-	-	-	-	-	-	-	76,554
Utility fees	-	227,466	-	-	-	-	-	227,466
Other receipts	55,306	7,410	109,860	8,904	9,864	-	8,322	218,736
Total receipts	55,306	234,876	109,860	8,904	9,864	-	8,322	600,593
Disbursements:								
Personal services	55,306	-	-	-	-	-	-	100,517
Supplies	-	-	-	-	-	-	-	14,212
Other services and charges	-	-	-	-	-	-	-	56,163
Capital outlay	-	-	-	7,532	-	-	-	92,649
Utility operating expenses	-	105,893	-	-	-	-	-	105,893
Other disbursements	-	136,950	103,695	-	9,967	-	-	257,309
Total disbursements	55,306	242,843	103,695	7,532	9,967	-	-	626,743
Excess (deficiency) of receipts over disbursements	-	(7,967)	6,165	1,372	(103)	-	8,322	(26,150)
Cash and investments - ending	\$ -	\$ 15,394	\$ 136,098	\$ 31,052	\$ 2,877	\$ 9,995	\$ 57,286	\$ 533,310

TOWN OF WEST COLLEGE CORNER  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Revenue Bonds of 1974	Plant Improvements	\$ 17,000	\$ 17,850
Revenue Bonds	State Revolving Fund	70,260	9,967
Revenue Bonds of 2008	USDA	<u>1,481,000</u>	<u>86,195</u>
Total Wastewater		<u>1,551,260</u>	<u>96,162</u>
Totals		<u>\$ 1,551,260</u>	<u>\$ 96,162</u>

TOWN OF WEST COLLEGE CORNER  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 4,000
Infrastructure	124,919
Buildings	59,512
Machinery, equipment, and vehicles	98,945
Total governmental activities	287,376
Wastewater:	
Land	8,000
Infrastructure	1,677,074
Buildings	2,507,784
Machinery, equipment, and vehicles	55,350
Total Wastewater	4,248,208
Total capital assets	\$ 4,535,584

TOWN OF WEST COLLEGE CORNER  
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2013, with Juanita Fenwick, President of the Town Council, and Judith Burke Starr, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.